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## **MMC COMPLETES RM9.3 BILLION ACQUISITION OF MALAKOFF**

**Kuala Lumpur, 2 May 2007** – MMC Corporation Berhad announced on Monday the completion of its acquisition of Malakoff Berhad's businesses. MMC acquired Malakoff's businesses in an all-cash transaction for RM9.3 billion in the largest leveraged buy-out ever undertaken in Malaysian corporate history. The acquisition is also the largest completed merger & acquisition exercise in Malaysia to-date.

Following the completion of this deal, Malakoff will be a cash-only company and will distribute to its shareholders RM10.35 per share through a capital repayment exercise. At the end of the exercise, Malakoff will be de-listed from the stock exchange.

According to Encik Feizal Ali, Group Chief Executive of MMC, "We are very pleased to have reached this distinctive point of the exercise. We are grateful for the support shown by the regulatory authorities, our shareholders and investors towards the successful completion of the acquisition and to our management teams, both from MMC and Malakoff, who have done an excellent job in wrapping up the deal. We believe MMC is well on its way to becoming a major utilities and infrastructure group with a global reach."

MMC acquired Malakoff's businesses through its 51% subsidiary Malakoff Corporation Berhad (Malakoff Corporation), which is the new name for Nucleus Avenue (M) Berhad.

The remaining 49% stake in Malakoff Corporation is held by key local and foreign financial institutions. Malakoff Corporation is the largest independent power producer in the country, with a potential effective generation capacity of over 5,000 MW, representing a 24% market share of the generation capacity in Peninsular Malaysia.

The debt portion of the acquisition was funded entirely by the issuance of Islamic bonds. This is in line with the government's call to promote Malaysia as a hub for Islamic debt securities. In total, RM7.9 billion of Senior and Junior Sukuk (Islamic bonds) were raised by Malakoff Corporation which were fully taken up by local and foreign financial institutions and investors.

Encik Feizal added, "Upon completion, the Group's debt will be higher at the consolidated level. However, the Group's debt servicing capacity remains comfortable as the majority of the borrowings are project finance-based at the level of the operating subsidiaries, which generate a steady stream of cash flows and are self-sustaining."

Given the current excess capacity in the country, Malakoff is pursuing a global expansion drive, particularly in countries that are making significant investments in infrastructure development. Malakoff's expansion overseas, which began in a significant way in 2003, has achieved considerable success.

In 2005, Malakoff secured equity interest in the RM9 billion Shuaibah independent water and power project in Saudi Arabia, together with other consortium partners. Building on that footprint, the company secured an RM880 million award to develop, construct and

operate a seawater desalination plant in Algeria, in partnership with a subsidiary of Hyflux of Singapore. Last November, Malakoff and other consortium members acquired an interest in the Dhofar Power Company in Oman, which holds a 20-year concession for the privatization of the Salalah Power System. Encik Feizal said, “These international projects provide Malakoff Corporation an excellent platform for future expansion in the West Asian region and beyond. Both MMC and Malakoff teams are working together to turn some of the opportunities that are currently available into fruition.”

Encik Feizal added, “Our focus on growing our core businesses has positioned MMC as an emerging global utilities and infrastructure group. Moving forward, we will continue to create sustainable growth and build a company that would deliver value for our shareholders.”

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MMC Corporation Bhd is a diversified group with interests in Transport & Logistics, Energy & Utilities, and Engineering & Construction. The group’s key businesses include Pelabuhan Tanjung Pelepas Sdn Bhd (Malaysia’s largest container terminal), Malakoff Corporation Bhd (Malaysia’s largest independent power producer) and Gas Malaysia Sdn Bhd (Malaysia’s sole supplier of natural gas to the non-power sector). MMC is also involved in major engineering & construction projects, like the Stormwater Management and Road Tunnel (SMART) project, a flood mitigation project for the city of Kuala Lumpur. Through Zelan, MMC has interests in IJM, one of Malaysia’s premier construction companies, and Zelan Construction, a specialist contractor for power plants. For more information, visit the company’s web site at [www.mmc.com.my](http://www.mmc.com.my).

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